

105TH CONGRESS
2D SESSION

S. 2124

To authorize appropriations for fiscal year 1999 for the Maritime Administration and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 22, 1998

Mrs. HUTCHISON (for herself and Mr. INOUE) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To authorize appropriations for fiscal year 1999 for the Maritime Administration and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SEC. 1. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL**
4 **YEAR 1999.**

5 Funds are hereby authorized to be appropriated for
6 fiscal year 1999, to be available without fiscal year limita-
7 tion if so provided in appropriations Acts, for the use of
8 the Department of Transportation for the Maritime Ad-
9 ministration as follows:

1 (1) For expenses necessary for operations and
2 training activities, \$70,978,000.

3 (2) For expenses under the loan guarantee pro-
4 gram authorized by title XI of the Merchant Marine
5 Act, 1936 (46 U.S.C. App. 1271 et seq.),
6 \$20,000,000, of which—

7 (A) \$16,000,000 is for the cost (as defined
8 in section 502(5) of the Federal Credit Reform
9 Act of 1990 (2 U.S.C. 661a(5))) of loan guar-
10 antees under the program; and

11 (B) \$4,000,000 is for administrative ex-
12 penses related to loan guarantee commitments
13 under the program.

14 **SEC. 2. AUTHORITY TO CONVEY NATIONAL DEFENSE RE-**
15 **SERVE FLEET VESSEL.**

16 (a) **AUTHORITY TO CONVEY.**—Not withstanding any
17 other law, the Secretary of Transportation may convey all
18 right, title, and interest of the United States Government
19 in and to the vessel M/V BAYAMON (United States offi-
20 cial number 530007) to the Trade Fair Ship Company,
21 a corporation established under the laws of the State of
22 Delaware and having its principal offices located in New
23 York, New York (in this section referred to as the “recipi-
24 ent”), for use as floating trade exposition to showcase

1 United States technology, industrial products, and serv-
2 ices.

3 (b) TERMS OF CONVEYANCE.—

4 (1) DELIVERY OF VESSEL.—In carrying out
5 subsection (a), the Secretary shall deliver the ves-
6 sel—

7 (A) at the place where the vessel is located
8 on the date of conveyance;

9 (B) in its condition on that date; and

10 (C) at no cost to the United States Gov-
11 ernment.

12 (2) REQUIRED CONDITIONS.—The Secretary
13 may not convey a vessel under this section unless—

14 (A) the recipient pays consideration equal
15 to the domestic fair market value of the vessel
16 as determined by the Secretary;

17 (B) the recipient agrees that any repair,
18 except for emergency repairs, restoration, or re-
19 construction work for the vessel will be per-
20 formed in the United States;

21 (C) the recipient agrees to hold the Gov-
22 ernment harmless for any claims arising from
23 exposure to hazardous material, including as-
24 bestos and polychlorinated biphenyls, after the
25 conveyance of the vessel, except for claims aris-

ing before the date of the conveyance or from
 use of the vessel by the Government after that
 date; and

(D) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid assets, or a written loan commitment to complete the reconstruction of the vessel.

(3) **ADDITIONAL TERMS.**—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) **PROCEEDS.**—Any amounts received by the United States as proceeds from the sale of the M/V BAYAMON shall be deposited in the Vessel Operations Revolving Fund established by the Act of June 2, 1951 (chapter 121; 46 U.S.C. App. 1241a) and shall be available and expended in accordance with section 6(a) of the National Maritime Heritage Act (16 U.S.C. App. 5405(a)).

SEC. 3. AUTHORITY TO CONVEY CERTAIN NATIONAL DEFENSE RESERVE FLEET VESSELS.

(a) **AUTHORITY TO CONVEY.**—Notwithstanding any other law, except as described in subsection (b), the Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the

1 vessels BENJAMIN ISHERWOOD (TAO-191) and
2 HENRY ECKFORD (TAO-192) to a purchaser for the
3 purpose of reconstruction of those vessels for sale or char-
4 ter.

5 (b) TERMS OF CONVEYANCE.—

6 (1) DELIVERY OF VESSEL.—In carrying out
7 subsection (a), the Secretary shall deliver the ves-
8 sel—

9 (A) at the place where the vessel is located
10 on the date of the conveyance;

11 (B) in its condition on that date; and

12 (C) at no cost to the United States Gov-
13 ernment.

14 (2) REQUIRED CONDITIONS.—The Secretary
15 may not convey a vessel under this section unless—

16 (A) competitive procedures are used for
17 sales under this section. The purchaser or pur-
18 chasers shall be selected on the basis of sealed
19 bids solicited and evaluated in accordance with
20 those procedures, except that a sale of a vessel
21 may not be made for less than the fair market
22 value of the vessel in the United States, as de-
23 termined by the Secretary of Transportation;

24 (B) with respect to the vessel, the recipient
25 remains subject to all laws and regulations gov-

erning the export of military items, including the requirements administered by the Department of State regarding export licenses and certification of nontransfer end use;

(C) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid assets, or a written loan commitment to complete the reconstruction of the vessel;

(D) the recipient agrees that any repair, except for emergency repairs, restoration, or reconstruction work for the vessel will be performed in the United States; and

(E) the recipient agrees to hold the Government harmless for any claims arising from defects in the vessel or from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with a conveyance authorized by this section as the Secretary considers appropriate.

1 (c) PROCEEDS.—Any amounts received by the United
 2 States as proceeds from the sale of a vessel under this
 3 section shall be deposited in the Vessel Operations Revolv-
 4 ing Fund established by section 801 of the Act of June
 5 2, 1951 (65 Stat. 59; 46 U.S.C. App. 1241a) and shall
 6 be available and expended in accordance with section 6(a)
 7 of the national Maritime Heritage Act (16 U.S.C. App.
 8 5405(a)).

9 (d) DURATION OF AUTHORITY.—The authority of the
 10 Secretary under this section may only be exercised during
 11 the one-year period beginning on the date of the enact-
 12 ment of this Act.

13 **SEC. 4. CLEARINGHOUSE FOR MARITIME INFORMATION.**

14 Of the amount authorized to be appropriated pursu-
 15 ant to section 1(1) for operations of the Maritime Admin-
 16 istration, \$75,000 may be available for the establishment
 17 at a State Maritime Academy of a clearinghouse for mari-
 18 time information that makes that information publicly
 19 available, including by use of the Internet.

20 **SEC. 5. SHIP SCRAPPING EXPENSES.**

21 (a) PROCEEDS OF SALE.—Section 508 of the Mer-
 22 chant Marine Act of 1936 (46 U.S.C. App. 1158) is
 23 amended by adding at the end thereof the following: “Pro-
 24 ceeds of sale under this section, net expenses of sale (as
 25 defined in section 801 of the Act of June 2, 1951 (65

1 Stat. 59; 46 U.S.C. App. 1241a)), shall be credited to the
 2 Vessels Operation Revolving Fund established by that sec-
 3 tion.”.

4 (b) COSTS OF SALE.—Section 510(i) of the Merchant
 5 Marine Act of 1936 (46 U.S.C. App. 1160(i)), is amended
 6 by inserting before “Notwithstanding” the following: “All
 7 costs incident to the sale of an obsolete vessel under this
 8 subsection and not covered by the gross proceeds of the
 9 sale may be paid from balances in the Fund derived from
 10 the sale of obsolete vessels. Proceeds to be credited to the
 11 Fund from the sale of a vessel under this subsection shall
 12 be net of the expenses of sale (as defined in section 801
 13 of the Act of June 2, 1951 (65 Stat. 59; 46 U.S.C. App.
 14 1241a)).”.

15 (c) VESSEL OPERATIONS REVOLVING FUND.—

16 (1) The first sentence of section 801 of the Act
 17 of June 2, 1951 (65 Stat. 59; 46 U.S.C. App.
 18 1241a) is amended by striking “and betterment”
 19 and inserting “betterment, husbanding, and sale”.

20 (2) The second paragraph of such section is
 21 amended by striking “stated therein:” and inserting
 22 “stated therein; Provided further, That such sums
 23 as may be determined to be necessary by the Sec-
 24 retary of Transportation and that have not been re-
 25 covered from the gross proceeds from the sale of a

1 obsolete vessel in the National Defense Reserve
2 Fleet, may be transferred from this fund, but only
3 if derived from the sale of obsolete vessels, to the op-
4 erations and training account of the Maritime Ad-
5 ministration for the purpose of paying all expenses
6 of sale including, but not limited to, cost of adminis-
7 tration, personnel, and travel related to the review of
8 bids, inspection of bidders' facilities, surveys for haz-
9 ardous materials, removal and disposal of hazardous
10 materials, and oversight of the scrapping account.”.

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